

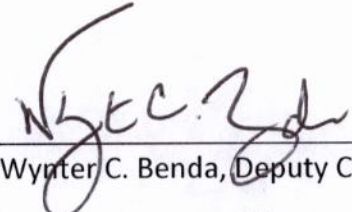


To the Honorable Council
City of Norfolk, Virginia

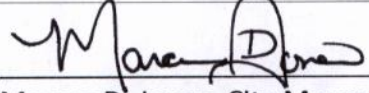
September 15, 2015

From: Sarah Paige Fuller, Director
Community Services Board

Subject: Sublease to Portsmouth
Community Health Center, Inc. d/b/a
Hampton Roads Community Health
Center

Reviewed: 
Wynter C. Benda, Deputy City Manager

Ward/Superward: 4/ 7

Approved: 
Marcus D. Jones, City Manager

Item Number:

PH-5

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item is an ordinance to approve a sublease to Portsmouth Community Health Center, Inc. d/b/a Hampton Roads Community Health Center ("HRCHC") for a portion of property located at 3755 Virginia Beach Boulevard, which is currently leased by the City of Norfolk ("City") from James E. Baylor Holding Corporation ("Baylor").

IV. **Analysis**

The purpose of this sublease is for the provision of integrated primary care in the same facility housing Norfolk Community Services Board ("NCSB") programs. This sublease allows for improved access to primary care for Community Services Board clients and to other vulnerable populations in the community. This sublease shall be in effect 30 days from the date of ordinance adoption and continue under the lease provisions.

V. **Financial Impact**

There is little to no financial impact associated with this sublease. HRCHC is negotiating alterations to the facility and payment thereof directly with the landlord. HRCHC is paying a nominal rent fee of \$1.00 annually to the City. HRCHC will reimburse the City for any increases in building costs due to their occupancy, including but not limited to utilities, security, and cleaning services. HRCHC carries its own liability insurance for space and services. HRCHC's

sublease provides for distinct HRCHC space and shared space to limit impact on NCSB services.

VI. Environmental

No known environmental impact. Property use for social services and medical is same as in historical use.

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City's agenda notification process.

VIII. Board/Commission Action

Norfolk Community Services Board of Directors is aware of the sublease and co-location of services.

IX. Coordination/Outreach

This letter and ordinance have been coordinated with City Attorney's Office.

Supporting Material from the Department of Norfolk Community Services Board:

- Ordinance
- Sublease
- Original Lease – Exhibit A
- Interior Space Assignment Drawing – Exhibit B
- Interior Modifications and Purchases by PCHC – Exhibit C

08/25/15 lds

Form and Correctness Approved:

By

Office of the City Attorney

NORFOLK, VIRGINIA

Contents Approved:

By

DEPT.

NCSB

ORDINANCE No.

AN ORDINANCE APPROVING THE SUBLEASE TO PORTSMOUTH COMMUNITY HEALTH CENTER, INC. ("PCHC"), UPON CERTAIN CONDITIONS, OF A PORTION OF CERTAIN PROPERTY LOCATED AT 3755 VIRGINIA BEACH BOULEVARD, LEASED BY THE CITY OF NORFOLK FOR ITS COMMUNITY SERVICES BOARD ("NCSB"), AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A SUBLEASE AGREEMENT ON BEHALF OF THE CITY.

- - -

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That a sublease agreement between the City of Norfolk as lessee and PCHC as sublessee for a portion of the NCSB offices located at 3755 Virginia Beach Boulevard, is hereby approved.

Section 2:- That the City Manager is authorized to negotiate and execute a Sublease Agreement with PCHC, substantially in the same form and terms as shown in Exhibit A, satisfactory to the City Attorney, and consistent with this ordinance.

Section 3:- That this ordinance shall be in effect from and after thirty (30) days from the date of its adoption.

SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease"), made and entered into this _____ day of _____, 2015, by and among the **CITY OF NORFOLK**, Virginia, a municipal corporation of the Commonwealth of Virginia ("City"), **PORTSMOUTH COMMUNITY HEALTH CENTER INC.**, dba Hampton Roads Community Health Center ("HRCHC"), a Virginia non-stock corporation, and **JAMES E. BAYLOR HOLDING CORPORATION** ("Landlord"), a Virginia corporation.

WITNESSETH:

WHEREAS, the City leases property from Landlord at 3755 Virginia Beach Boulevard ("Property") for the Norfolk Community Services Board ("NCSB") by Lease Agreement dated January 21, 2015 ("Lease Agreement"), a copy of which is hereto incorporated by reference and attached as **Exhibit A**; and

WHEREAS, the City wishes to sublease a portion of the property to HRCHC; and

WHEREAS, the Landlord is consenting to the Sublease by being a party to the Sublease; now, therefore, the parties agree as follows:

1. **PREMISES.** The City hereby subleases to HRCHC 1,155 square feet of the Property ("Subleased Premises"), as shown on **Exhibit B** hereto attached and incorporated by reference. HRCHC shall have access to the Subleased Premises during operating hours of the NCSB and shall also have use of the NCSB parking lot. HRCHC employees will not park in reserved customer parking spaces,

This Sublease is subject to and subordinate to all the terms and conditions of the Lease Agreement to the extent not inconsistent with the provisions of this Sublease. As pertains to the Subleased Premises, the provisions of the Lease Agreement are incorporated herein by reference with the same force and effect as if they were fully set forth herein, but specifically excluding paragraphs or sections pertaining to rents, options to extend the Lease Agreement and maintenance obligations of the Tenant. Notwithstanding the foregoing, any inconsistencies between the terms of this Sublease and the Lease Agreement which shall result from the foregoing incorporation shall be resolved in favor of the Lease Agreement.

2. **TERM.** The initial term of this Sublease shall commence on the effective date of the ordinance approving this Sublease and end on January 31, 2020, unless the Lease Agreement is earlier terminated, in which case this Sublease will also be terminated. If the Lease Agreement expires or is terminated, this Sublease Agreement shall also expire/terminate on the Lease Agreement expiration/termination date. The City shall provide HRCHC with a copy of any notice given by the City to the Landlord extending the term of the Lease Agreement at least thirty (30) days prior to the end of any term under the Lease Agreement and shall provide HRCHC with notice terminating the Lease Agreement upon receipt of such notice. Except where the context clearly requires otherwise, the word "term" whenever used in this Sublease with reference to the duration hereof, shall be construed to include any renewal term as well as the original term.

A. **PURPOSE.** The Subleased Premises shall be used for the following:

a. Integrated Care

- i. Center will operate 40 hours per week with evening appointments available as needed.
- ii. Center will render quality primary health care services to patients of the Norfolk Community Service Board & to the Citizens of Norfolk who do not have a primary care provider.
- iii. Center will care for all life cycles, which includes newborns, young children, adolescents, adults and seniors.
- iv. Caring for patients will include directing and tracking patients for discharge planning and referrals for specialty medical care.

b. Dental Services

- i. The Center will provide preventive, restorative, and emergency dental services on site through the dental van. Dental service is available to all Citizens of Norfolk. Sliding fee discounts will be offered to those who qualify.
- ii. Van will park on premises nearest the front entrance on the right side of the building to assist in access for those with disabilities.

B. SUBLEASED PREMISES.

Clinic spaces consisting of:

- i. Triage Room
- ii. Exam Room I
- iii. Exam Room II
- iv. Exam Room III
- v. Provider & Nursing Office

C. SHARED SPACE.

a. First Floor

- i. Front lobby waiting room to include all common areas
- ii. Main hallway running from the front to rear of building
- iii. Children's waiting room
- iv. Restrooms
- v. Clinic spaces consisting of administrative alcove and waiting area
- vi. Information Technology Room
- vii. Peer Counseling, Enrollment Counseling Offices

b. Second Floor

- i. Break room
- ii. Main hallway running from the front to rear of building
- iii. Restrooms

HRCHC covenants not to allow the Subleased Premises and the shared space to be used for any illegal or immoral purpose and agrees not to do (or suffer to be done) in or about the Subleased Premises any act or thing which may be a nuisance, annoyance inconvenience or damage to Landlord, the Property, the City, the occupants of adjoining property or the neighborhood.

3. RENT. HRCHC agrees to pay the City rent on a yearly basis as follows:

August 28, 2015	January 31, 2016	\$1.00
February 1, 2016	January 31, 2017	\$1.00
February 1, 2017	January 31, 2018	\$1.00
February 1, 2018	January 31, 2019	\$1.00
February 1, 2019	January 31, 2020	\$1.00

Rent shall be paid by check made payable to the "Treasurer, City of Norfolk" and delivered to **225 West Olney Road, Norfolk, VA, 23510**, or to such other payee or at such other address as may be designated by notice in writing from City to HRCHC. Rent shall be paid, without prior demand therefore in advance on the first day of each year of the Term, beginning February 1, 2016. Rent shall be pro-rated for the period between the effective date of the Sublease Agreement and January 31, 2015.

4. ASSIGNMENT. HRCHC covenants not to assign this Sublease nor sublet the Subleased Premises or any part thereof, nor permit any other person to occupy same. If any person or legal entity other than HRCHC is in possession of the Subleased Premises, during the term hereof without the consent of Landlord or City, Landlord and/or the City shall have the option to terminate this Sublease.

5. REMEDIES UPON DEFAULT. HRCHC covenants that if the Subleased Premises are deserted, abandoned or closed, for a period of thirty (30) days other than during reasonable periods of time not to exceed ninety (90) days, provided voluntary renovations or repairs due to casualty losses and other periods during which the Subleased Premises are otherwise untenable through no fault of HRCHC, are begun during the thirty (30) day notice period and diligently pursued to completion period, or if HRCHC defaults for a period of ten (10) days in paying any installments of rent or other sum when due hereunder or defaults for a period of ten (10) days following written notice thereof; in performing any covenant, provision or condition herein contained and binding upon HRCHC, City shall have the right to enter and take possession of the Subleased Premises without notice to HRCHC, peaceably or by force, to exercise self-help and to terminate HRCHC's right to occupancy, in addition to all other rights and remedies provided by law; but unless City so elects in writing, such re-entry shall not terminate this Sublease.

6. RENOVATIONS, HRCHC'S FURNITURE AND FIXTURES. Landlord shall undertake the modifications described in **Exhibit C** hereto attached at the expense of HRCHC; HRCHC shall pay Landlord for the cost of the modifications upon receipt of an invoice from Landlord. The City and HRCHC agree that all furniture, fixtures and equipment which may be placed in the Subleased Premises by HRCHC are owned by HRCHC and shall be removed by HRCHC upon the expiration or termination of this Sublease, except for the items listed in Exhibit B as HRCHC's purchases, which may be donated to the City at the expiration or termination of this Sublease. The parties further agree that any damages caused by removal of any furniture or fixtures by HRCHC shall be repaired by HRCHC to the satisfaction of the City Manager or his designee within thirty (30) days of the expiration or termination of this Sublease or HRCHC agrees to be liable for the costs incurred by the City in making such repairs.

7. MAINTENANCE AND REPAIRS. During the term of this Sublease, at HRCHC's

sole cost and expense, HRCHC covenants with respect to the Subleased Premises to maintain, service and keep in good order and repair the pipes, conduits, wires, doors, locks and other appurtenances of the Subleased Premises.

8. INSECTS AND RODENTS. HRCHC covenants to do the things reasonably necessary, or required by law, to keep the Subleased Premises free of roaches, rodents, insects and other pests and HRCHC agree that Landlord shall not be liable for any damage caused thereby.

9. ALTERATIONS/IMPROVEMENTS. HRCHC covenants not to paint the Subleased Premises or any part thereof, nor to make (or suffer to be made) any waste thereof or alterations or improvements therein or thereto, without prior written permission of Landlord, which permission shall not be unreasonably withheld. The parties agree that any and all work by HRCHC shall comply with all applicable codes and regulations and shall be submitted by HRCHC to the City for submission by the City to the Landlord, as deemed necessary by the City, to obtain prior written approval by Landlord of any alterations or improvements by HRCHC. Should Landlord grant consent to any of the foregoing, Landlord may impose conditions to ensure such work is performed in a first-class workmanlike and lien free manner, including approval of any contractors and imposing requirements for the release of mechanic's liens, HRCHC agrees that all additions, improvements and attached equipment installed in or on the Subleased Premises by HRCHC, including but not limited to electric wiring and floor covering (except carpet and rugs), shall immediately become the property of Landlord and shall not be removed by HRCHC at the termination of this Sublease, unless requested so to do by Landlord, in which event HRCHC agrees to do so and to repair promptly any damage caused by such removal. HRCHC expressly should be able to remove all of its trade fixtures.

10. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS. HRCHC will, at its sole expense, promptly comply with and observe all laws, ordinances, rules, regulations and requirements (including zoning) of the federal, state and municipal governments, relating to the Subleased Premises (including any special equipment) and/or the business conducted therein. HRCHC recognizes that the City does not make any representation, express or implied, that the Demised Premises are zoned for the use(s) contemplated by HRCHC and expressed in paragraph 3 of this Sublease.

11. INSURANCE. Lessee shall maintain during the term of this agreement insurance of the types and in the amounts described below. All general liability and automobile/vehicle liability policies will be written in an "occurrence" form unless otherwise specifically approved by the City. The CITY OF NORFOLK and its employees will be included as "Additional Insured" on such policies. All insurance policies affected by this agreement shall be primary and noncontributory to any other insurance or self-insurance maintained by the City. Insurance policies shall provide that the Lessee will receive at least thirty (30) days written notice in the event of cancellation of, or material change in, any of the policies. If the Lessee fails to maintain the insurance as set forth in this Agreement, the City shall have the right, but not the obligation, to purchase such insurance at Lessee's expense

COMMERCIAL GENERAL LIABILITY INSURANCE. The Lessee shall maintain Commercial General Liability Insurance (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence, \$2,000,000 general

aggregate, with a fire legal liability limit of at least \$100,000. CGL insurance shall be written on an approved ISO form for coverage in the Commonwealth of Virginia, and shall cover liability arising from premises, operations, independent Lessees, products-completed operations, personal injury and liability assumed under insured contract.

WORKER'S COMPENSATION INSURANCE AND EMPLOYER'S LIABILITY INSURANCE: The Lessee shall maintain the applicable statutory Workers' Compensation Insurance, and Employer's Liability Insurance with a limit of at least \$500,000 per accident/disease, and policy limit of \$500,000.

AUTOMOBILE/MOTOR VEHICLE LIABILITY INSURANCE: The Lessee shall maintain Automobile Liability insurance with a limit of not less than \$ 1 million combined single limit; or, Bodily Injury \$500,000 each person, \$1,000,000 accident, and Property Damage \$100,000 each accident. Such insurance shall cover liability arising from any motor vehicle as defined by Commonwealth of Virginia laws and shall include coverage for owned, hired and non-owned motor vehicles, as well as uninsured and underinsured motorists. Coverage shall be written on an approved ISO Form for coverage in the Commonwealth of Virginia.

PROFESSIONAL/ERRORS & OMISSIONS LIABILITY INSURANCE: The Lessor shall maintain during the life of this contract Professional and, or, Errors and Omissions Liability Insurance as shall protect the physicians and other medical providers against legal liability as a result of alleged negligence or errors and omissions, including personal injury, which may arise from the performance of the Consultant's duties and obligations while providing medical services within or on the leased premises. The minimum acceptable limits of liability to be provided by such Professional Liability Insurance shall be as follows: not less than \$1,000,000 each occurrence, \$2,000,000 aggregate.

PROPERTY INSURANCE: Lessee further covenants that it will, at all times during the Lease Term and at its own cost and expense, carry insurance against damage by fire or other perils in an amount equal to the replacement value thereof on Lessee's inventory, furniture, fixtures and equipment and all parts of the Premises for which the Lessee is responsible as described in this agreement.

INSURANCE POLICIES/CERTIFICATE OF INSURANCE

LESSEE shall furnish the CITY with two (2) copies of the policies, or a certificate(s) of insurance evidencing policies, required in this section 11 of the Sublease. The certificate(s) shall specifically indicate that the insurance includes any extensions of coverage required above. In the event of cancellation of, or material change in, any of the policies, the Lessee shall notify the City within at least 14 days after receiving notice of such cancellation or policy change and provide evidence that insurance coverage is in place to meet the requirements of this agreement.. If coverage on said certificate(s) is shown to expire prior to completion of all terms of this Agreement/Contract, the LESSEE shall furnish a certificate of insurance evidencing renewal of such coverage to the CITY within 10 days of

the effective date such renewal. All certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the requirements of this agreement. Failure of the City, an, or the City's designated agents for this Agreement, to (1) demand such certificates or other evidence of full compliance with these requirements, and, or (2) identify a deficiency from evidence that is provided shall not be construed as a waiver of the Lessee's obligation to maintain such insurance.

12. INDEMNIFICATION. HRCHC agrees to hold Landlord and the City harmless from and against any and all injury or death to persons or damage to property in, on or about the Demised Premises, including, without limitation, all costs, expenses, medical costs, attorneys' fees, claims or suits arising in connection therewith except to the extent that any such injury or damage shall be caused by Landlord, City or their agents.

13. SPECIAL EQUIPMENT. To the extent the Subleased Premises include a security system, elevator, heating and air-conditioning, Landlord shall be solely responsible for the safe and proper operation thereof and periodic maintenance and repair and servicing of all such equipment, including all necessary testing and monitoring and to maintain or keep appropriate records related thereto as required by applicable law or the insurers of the Demised Premises.

14. CONDITION. Upon the termination of this Sublease, HRCHC covenants to deliver to the City the Subleased Premises and all appurtenances thereto, peaceably and quietly, in as good operating condition as the same now are or may hereafter be put by Landlord, City or HRCHC, ordinary wear and tear and damage from fire or other casualty not occasioned by the fault, negligence or willful misconduct or HRCHC, HRCHC's agents, employees and independent contractors excepted.

15. NO SUBROGATION. All fire, extended coverage, and liability insurance policies and any other policies relating to other casualties or losses, carried by and party to this Sublease covering the Subleased Premises and/or the contents thereof and/or the building containing the Subleased Premises shall expressly waive any right on the part of the insurer against any other party to this Sublease, which right to the extent not prohibited or violate of any such policy, is hereby expressly waived. The parties to this Sublease agree that their policies will include such waiver clause or endorsement so therefore, so long as the party or parties in whose favor such waiver clause or endorsement runs pays such extra cost. If extra cost shall be chargeable therefore, each party shall advise the other of the amount of the extra cost and the other party, as its election, may pay the same but shall not be obligated to do so.

16. NO WAIVERS. HRCHC and the City agree that any failure of either party to insist upon strict observance of any covenant, provision or condition of this Sublease in any one or more instances shall not constitute or be deemed a waiver, at that time therefore, of such or any other covenant, provision or condition of this Sublease.

17. ENTRY BY LANDLORD. HRCHC agrees that Landlord and the City may, from time to time during normal business hours, enter the Demised Premises to view or show the same to maintenance personnel, prospective buyers or tenant, lenders or appraisers.

18. ENVIRONMENTAL.

a. HRCHC covenants, represents and warrants to Landlord and City the following covenants, which covenants, representations and warranties shall be effective as for the first day of this Sublease, shall survive the termination of this Sublease and are material and are being relied upon in making the Sublease:

i) That HRCHC will comply with all applicable federal, state, and local environmental laws, regulations, ordinances, rules and orders concerning or relating to the use, generation, storage, handling, release, threatened release or disposal of any regulated material or substance HRCHC uses, treats, stores or handles during HRCHC's Sublease term.

ii) That HRCHC shall immediately notify Landlord of HRCHC's receipt of any report, citation, notice or other writing (and deliver a copy thereof to Landlord on the written request of the Landlord) by, to, or from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities,

iii) That HRCHC acknowledges that in the event any Hazardous Material used or stored by HRCHC is required to be removed from the Subleased Premises, the EPA identifying number or the other governmental number assigned to the Hazardous Material so removed and disposed of shall not be identified in the name of Landlord.

b. HRCHC shall at HRCHC's sole cost and expense, protect, defend, save and hold harmless Landlord and City from and against any and all claims, demands, losses, expenses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, attorneys' fees, remediation and clean-up costs, transportation, storage and disposal or landfill costs, diminution in the residual value of the Demised Premises, damages arising from any adverse impact on marketing of space, costs incurred in connection with any investigation of work, required by any federal, state or local governmental agency or political subdivision) because of Hazardous Materials used or stored by HRCHC at the Subleased Premises.

19. FOR RENT AND FOR SALE SIGNS. It is agreed that Landlord shall have the right to put and maintain "FOR RENT" and "FOR SALE" signs in the display windows and on other portions of the Demised Premises, in conspicuous places, during the last three (3) months of the term.

20. NOTICE. Any notice to be given to City as herein provided shall be deemed to be given when duly posted in U.S. Registered or certified mail (return receipt requested), or when delivered to a nationally recognized courier service, addressed to Director, Department of General Services, 232 East Main Street, Suite 250, Norfolk, Virginia 23510; and any notice to be given, to HRCHC as herein provided shall be deemed to be given delivered to a nationally recognized courier service, addressed to HRCHC at Portsmouth Community Health Center, Inc.; DBA Hampton Roads Community Health Center, 664 Lincoln Street, Portsmouth, VA 23704. Either City or HRCHC may change the place designated for the giving of such notice by written notice duly and timely given to the other.

21. HOLDOVER. If HRCHC shall be in possession of the Subleased Premises after the term or any renewal term, and in the absence of any right to remain in possession under this Sublease and any written agreement extending the term hereof, the tenancy of this Sublease shall become one from month to month at the highest rental rate then in effect in the Lease Agreement, to be terminated by either HRCHC or City on thirty (30) days written notice to the other party.

22. QUIET ENJOYMENT. The City covenants that it has the right to enter into this sublease and that if HRCHC shall timely pay all rent and perform all of HRCHC's covenants, terms, conditions and agreements in this Sublease, HRCHC shall be entitled to peaceably and quietly occupy and enjoy possession of the Subleased Premises without molestation or hindrance by the City, the Landlord or any party claiming through or under the City or the Landlord.

IN WITNESS WHEREOF, each party hereto has executed this Sublease in his or her name or has caused this Lease to be executed in its name and behalf by its proper officer, partner, manager or fiduciary, and in a manner authorized by the applicable governing documents of said corporation, partnership, limited liability company, trust or other legal entity.

CITY OF NORFOLK

Marcus D. Jones, City Manager

Attest:

City Clerk

Date

**PORTSMOUTH COMMUNITY HEALTH
CENTER, INC.**

Barbara Willis
Chief Executive Officer

JAMES E. BAYLOR HOLDING CORPORATION

James E. Baylor
Print Title:

Approved as to content:



Executive Director, NCSB

Approved as to form and correctness:

Deputy City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), made this 21st day of January, 2015 by and between **JAMES E. BAYLOR HOLDING CORPORATION**, a Virginia corporation ("Baylor"), Lessor, and the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia ("City"), Lessee, whose address is 810 Union Street, Norfolk, Virginia 23510.

WITNESSETH:

1. **PREMISES.** That for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained, to be paid, kept and performed by City, subject to the annual appropriation of funds by Norfolk City Council, Baylor has demised and leased and does hereby demise and lease unto City, and City does hereby take, lease and hire from Baylor, all that certain portion of a building owned by Baylor located at 3755 Virginia Beach Blvd., Norfolk, Virginia, such portion being more particularly described as office space located on the first and second floor, consisting of 19,558 sq/ft as shown on Exhibit A, attached hereto, to include the use of all parking spaces on the Property ("the Premises").

2. **TERM.** The term of this lease shall be for a period of five (5) years (the "Term"), commencing as of February 1, 2015 (the "Commencement Date") and ending on January 31, 2020 (the "Termination Date").

3. **EARLY TERMINATION.** Subject to paragraph 40, Non-Appropriation of Funds, the City is obligated to lease the Premises for a minimum of twenty-four (24) months from the Commencement Date. Upon giving Baylor at least ninety (90) days prior written notice, the City may: (1) terminate this Lease effective at any time after such twenty-four (24) month period has expired and, upon such termination, the City shall have no further obligation, financial or

otherwise, to Baylor; or (2) the City may continue to lease the Premises on a month to month basis for the remainder of the Term with the right to terminate the Lease at any time upon giving Baylor thirty (30) days written notice.

4. **USE.** The City covenants and agrees to use and occupy the Premises for general and administrative office purposes and, upon obtaining Baylor's consent, the Premises may be used for any other lawful purposes.

5. **ACCEPTANCE OF PREMISES.** The City acknowledges that it is familiar with the Premises and agrees to accept the Premises in their present condition, subject to paragraph 8 and to the following repairs to be made by Baylor at its sole cost and expense prior to the commencement of this Lease: repair HVAC system; repair leaking roof; and re-pave parking lot to eliminate pot holes. Except as otherwise stated herein, City acknowledges that neither Baylor nor anyone on Baylor's behalf has made any representations or warranties with respect to the condition of the Premises.

6. **RENT.** Subject to the annual appropriation of funds by Norfolk City Council, and to paragraph 8, City covenants and agrees to pay Baylor as rent (the "Rent") the following annual sums, based upon an annual rate of \$14.00 per square foot for the first year, with an increase of 2.5% each year thereafter for the term of the Lease:

Year 1	02/1/2015 to 01/31/2016	Gross Rent	\$273,812.00	Monthly	\$22,817.67
Year 2	02/1/2016 to 01/31/2017	Gross Rent	\$280,657.30	Monthly	\$23,388.11
Year 3	02/1/2017 to 01/31/2018	Gross Rent	\$287,673.73	Monthly	\$23,972.81
Year 4	02/1/2018 to 01/31/2019	Gross Rent	\$294,865.57	Monthly	\$24,572.13
Year 5	02/1/2019 to 01/31/2020	Gross Rent	\$302,237.21	Monthly	\$25,186.43

Monthly installments for Rent shall be made promptly in advance on the first day of each and every month during the term of this Lease without demand and without offset or deduction. No payment by City or receipt by Baylor of a lesser amount than the Rent stipulated in this Lease

shall be deemed other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or payment, or any writing accompanying any check or payment of such Rent, be deemed an accord and satisfaction, and Baylor may accept such check or payment without prejudice to Baylor's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

7. **LATE PAYMENTS.** In the event any installment of Rent is not paid within five (5) days after it becomes due, a late charge of 1% of the monthly Rent will be charged and if not paid within thirty (30) days, such Rent and late fee shall bear interest at the maximum legal rate, and all of the foregoing shall accrue as additional Rent. The City further agrees to pay (or reimburse Baylor promptly if Baylor elects to pay) any and all attorney's fees and court costs incurred in connection with the collection of delinquent Rents and all other sums due to Baylor, or incurred due to any default by the City.

8. **RENOVATIONS BY LANDLORD.**

8.1. Landlord shall make renovations and improvements to the Premises including, but not limited to, the following: refurbishment and/replacement of certain walls, replacement of certain doors, replacement of ceilings, replacement of glass, installation of bathroom fixtures, installation of alarmed doors, and the renovation, installation or replacement of fixtures, appliances, and any damaged flooring as may be required. In addition, storage shall be built in as needed to replace removable furniture. However, any roof repairs or replacement shall be at the Landlord's sole cost and expense.

8.2. Such renovations and improvements shall be completed and ready for City use no later than March 31, 2015.

8.3. All proposed renovations and improvements shall be reviewed and approved by the City and any appropriate state agency or agencies prior to the commencement of construction to ensure full compliance with City and state requirements.

8.4. Upon completion of the renovations and improvements to the City's satisfaction, Landlord shall provide City with written confirmation of the actual cost of such renovation and improvements. Beginning with the first monthly lease payment after March 31, 2015, the monthly lease payments shall be increased by a sum that represents the total cost of the renovations and improvements equally divided over the months between April 1, 2015 and June 30, 2015.

8.5 In no event shall the total increase in lease payments resulting from the renovations and improvements exceed the sum of \$40,000.00.

8.6. With the July 2015 monthly payment the original monthly payment amounts and schedule as set forth in paragraph 6, above, shall resume.

9. **REAL ESTATE TAXES AND ASSESSMENTS.** Baylor covenants that it will pay, when due, all real estate taxes and assessments imposed against the Premises. City will be responsible for any overage above the 2015 base year.

10. **ENVIRONMENTAL COSTS.** Notwithstanding anything in this agreement to the contrary, City does not hereby become responsible in any manner whatsoever or assume liability for environmental conditions or liabilities existing prior to its occupancy hereunder.

11. **CHANGE IN SCOPE OF TAXATION.** Nothing contained in this Lease shall require City to pay any franchise, estate, inheritance, succession, capital levy, transfer or property tax of Baylor, or federal income or state income tax or excess profits or revenue tax.

12. **INSURANCE.** Baylor acknowledges that City is self-insured. To the extent permitted by law, and subject to any rights to sovereign immunity which may be applicable, and

without waiving any right or defense City may have as a municipal corporation, City will be responsible for loss or damage to the Premises caused by the negligence of the City's officers, employees, or agents.

13. **FIRE HAZARD.** The City agrees not to do anything which will increase the rate of fire insurance during the term of this Lease.

14. **UTILITY BILLS.** Baylor covenants to pay promptly for all gas, water, electricity, sewage disposal, trash disposal, and other utilities used in the Premises during the term of this Lease. Baylor will be responsible for real estate taxes, building insurance, landscaping, HVAC equipment to include filter changes/replacements and elevator maintenance/service/replacements.

15. **INTERIOR MAINTENANCE.** During the term of this Lease, City covenants at City's cost and expense (a) to unstop promptly all choked waste pipes and toilets, (b) to keep all other parts of the demised premises, excepting those which Baylor has agreed herein to repair, in good order and condition, ordinary wear and tear excepted. City further agrees to provide all normal and customary custodial services for the Premises. Landlord covenants, at Landlord's cost and expense to keep in good order and repair (and to make replacements from time to time as may be necessary or advisable) the heating plant and air conditioning equipment, pipes, conduits, wires, electrical fixtures, and other appurtenances of the demised premises, including all water, gas and major plumbing systems appurtenant thereto. All interior or exterior alterations desired by tenant will be made by Landlord's representative and will commence only after price and terms have been agreed upon.

16. **LANDLORD'S REPAIRS AND RIGHT OF ENTRY.** Baylor covenants that it will, at its own cost and expense and with reasonable dispatch after being notified in writing by

the City of the need therefore, make such repairs to the exterior of the Premises (including the grounds, parking lot, fence, roof, gutters, downspouts and outside walls, and all glass and doors, as may be necessary to keep the same in good condition and repair. Provided however, that if the need for such repair is occasioned by casualty resulting from the negligence or willful act of the City, or any of its agents, employees or contractors, the City shall be responsible for such costs.

17. **ASSIGNMENT AND SUBLETTING.** City will not assign this Lease or sublet the Premises without obtaining Baylor's prior consent in writing. If this Lease be assigned with the consent of Baylor as aforesaid, or if the Premises or any part thereof be sublet or occupied by anybody other than City, Baylor may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved; but notwithstanding such assignment or subletting, City herein shall remain liable for the payment of Rent and for the performance of all obligations imposed upon City by this Lease.

18. **AIR AND WATER POLLUTION.** City covenants and agrees to notify Baylor immediately of any claim or notice served upon it containing any allegations that City is causing air, noise, or water pollution. City, in any event, will take immediate steps to halt, remedy or cure any such pollution caused by City in connection with its use of the Premises.

19. **COVENANT AGAINST LIENS.** City agrees that it shall not encumber, or suffer or permit to be encumbered, the Premises or the fee thereof by any lien, charge or encumbrance, and City shall have no authority to mortgage or hypothecate this Lease in any way whatsoever.

20. **INSECTS AND RODENTS.** Baylor covenants to do and pay for those things reasonably necessary, or required by law, to keep the Premises free of termites, roaches, rodents, insects and other pests.

21. **SIGNS.** The City covenants not to paint or place (nor permit to be painted or placed) any sign or other advertising device, bill or billboard upon or about the Premises (or the exterior of the building in which the Premises are located), or any part thereof, without the prior written permission of Baylor, which permission shall not be unreasonably withheld.

22. **NUISANCE.** The City covenants not to allow the Premises to be used for any illegal or immoral purpose, and not to do (or suffer to be done) in or about the Premises any act or thing which may be a nuisance, annoyance, inconvenience or damage to Baylor, other tenants, the occupants of adjoining property, or the neighborhood.

23. **NO ALTERATIONS.** The City covenants not to paint the Premises or any part thereof, not to make (or suffer to be made) any waste thereon or alterations or improvements therein or thereto, and not to place any covering over any wooden floor, without prior written permission of Baylor.

24. **DAMAGE BY FIRE.** It is agreed that if the Premises, or the building or buildings of which the Premises are a part, or any portion thereof, or any improvements now or hereafter constructed thereon or added thereto, shall be damaged by fire or other casualty, so as to render the Premises or any portion thereof untenable, in the opinion of Baylor or the City, then in such event Baylor or the City shall have the right, at any time, within ninety (90) days after said casualty, to cancel and terminate this Lease by giving to the other party within said ninety (90) day period written notice of its intention to do so. If this Lease is so terminated, rent shall be restored, with reasonable dispatch, by and at the expense Baylor, and the rent due hereunder shall be proportionately abated, according to the loss of use, until the Premises are substantially restored.

25. **CONDEMNATION.** If any portion of the Premises shall be taken by the exercise of the power of eminent domain (or sold to the holder of such power pursuant to a threatened

taking) this Lease shall terminate upon such taking or when sale is completed. The City shall not be entitled to any part of the condemnation award or purchase price and the City expressly waives any and all rights thereto.

26. **NO SUBROGATION.** All fire insurance, extended coverage, and policies relating to other casualties, carried by any party to this Lease covering the Premises and/or the contents thereof, shall expressly waive any right on the part of the insurer against any other party to the Lease, which right to the extent not prohibited or violative of any such policy, is hereby expressly waived. The parties to this Lease agree that any such policies will include such waiver clause or endorsement so long as the same shall be obtainable without extra cost, or if extra cost shall be charged therefore, so long as the party or parties in whose favor such waiver clause or endorsement runs pays such extra costs. If the extra cost, and the other party or parties, at its or their election, may pay the same, but shall not be obligated so to do.

27. **SUBORDINATION.** This Lease is made and accepted by the City, subject and subordinate in law and in equity to any existing, future and/or new mortgages and/or deeds of trust secured by the land and building of which the Premises are a part or which may at any future time be placed thereon, and to any extensions, modifications, and renewals thereof, and to the prior right of mortgagees or lenders thereunder. If required by Baylor, the City will execute, acknowledge and deliver any and all agreements subordinating this Lease to any deed of trust or mortgage now or hereafter executed, secured by the said land and buildings.

28. **NO WAIVERS.** The City and Baylor agree that any failure by either party to insist upon strict observance of any covenant or provision of this Lease in any one or more instances shall not constitute or be deemed a waiver, at that time or thereafter, of such or any other covenant, provision or condition of this Lease.

29. **NO PAROL CHANGES.** It is agreed that no change shall be made in this Lease, except in writing signed by the parties hereto, setting forth the terms of agreed modifications.

30. **FOR RENT AND FOR SALE SIGNS.** It is agreed that Baylor and/or its agent shall have the right to put and maintain "FOR RENT" and "FOR SALE" signs in the display windows and on other portions of the Premises, in the conspicuous places, during the period of three (3) months next preceding the end of the Term.

31. **SURRENDER BY CITY AT END OF TERM.**

31.1. City will surrender possession of the Premises and remove all goods and chattels and other property in the possession of City, by whomsoever owned, at the end of the Term of this Lease, or at such other times as Baylor may be entitled to re-enter and take possession of the Premises pursuant to any provision of this Lease, and leave the Premises in as good order and condition as they were at the beginning of the Term, reasonable wear and tear excepted.

31.2. No act or thing done by Baylor shall be deemed an acceptance of the surrender of the Premises unless Baylor shall execute a written release of City.

32. **CONDITION ON TERMINATION AND HOLDOVER.** Upon termination of this Lease, City covenants to deliver to Baylor the demised Premises and all appurtenances hereto, peaceably and quietly, in as good order and condition as same now are or may hereafter be put by Landlord or Tenant, ordinary wear and tear and damage from fire or other casualty not occasioned by the fault or negligence of Tenant, Tenant's agents, employees and independent contractors, excepted. If tenant holds over or continues in possession of the demised premises after notice of termination and expiration of the term or after any earlier termination of the term, it shall be a tenant at sufferance and shall be liable to Landlord for damages, loss or expense caused thereby;

such damage shall in no event be less than 1.25 times the rental during the preceding term calculated on a daily basis.

33. DEFAULT BY CITY.

33.1. If during the Term of this Lease there shall occur any of the following events ("Events of Default"), City shall be deemed to be in default, and Baylor shall have the right to terminate this Lease:

- (a) If City shall fail to pay any installment of Rent when due; or
- (b) If City shall fail to perform or observe any requirements, obligations, agreements, covenants or conditions of this Lease, other than the payment of any installment of Rent, and any such failure shall continue for 15 days after Baylor gives City written notice thereof. However, in the event such failure cannot be remedied within such 15 day period, then City will have a reasonable time thereafter to remedy the failure, provided City commences to remedy such failure within the initial 15 day period and prosecutes the same to completion with diligence.

33.2. If Baylor elects to terminate City's right to possession of the Premises under section 33.1 following an Event of Default, Baylor may re-enter and take possession of the Premises, with or without legal process, and City hereby waives any claim for damages as a result thereof, and City shall be obligated to pay to Baylor as damages upon demand, and Baylor shall be entitled to recover of and from City:

- (a) All Rent which are in arrears as of the date of termination of City's right to possession, plus

- (b) The cost to Baylor of all reasonable expenses and costs incurred by Baylor in obtaining possession of the Premises, in enforcing any provision of this Lease, in preserving the

Premises during any period of vacancy, and in reletting the Premises, including all reasonable brokerage commissions.

33.3. No waiver by Baylor of any Event of Default or any default by City in any covenant, agreement or obligation under this Lease shall operate to wave or affect any subsequent Event of Default or default in any covenant, agreement or obligation hereunder, nor shall any forbearance by Baylor to enforce a right or remedy upon an Event of Default or any such default be a waiver of any of its rights and remedies with respect to such or any subsequent default or in any other manner operate to the prejudice of Baylor.

34. **QUIET ENJOYMENT.** Baylor covenants that City, on paying the Rent and performing the covenants and conditions contained in this Lease, shall and may peaceably and quietly have, hold and enjoy the Premises for the Term aforesaid.

35. **NOTICES.**

35.1. Whenever it is provided herein that notice, email request or other communication shall or may be given to or served upon either of the parties, or if either of the parties shall desire to give or serve upon the other any notice, demand, request, or communication it shall be in writing and, any law or statute to the contrary notwithstanding, shall be given or served as follows:

(a) If given or served by Baylor: either by hand delivery, overnight courier or by mailing the same to City by registered or certified mail, postage prepaid, return receipt requested, addressed to the City at the City Manager, Suite 1101 City Hall, 810 Union Street, Norfolk, Virginia 23510 or at such other address as City may from time to time designate by notice given to Baylor in the manner herein provided; and

(b) If given or served by City: by hand delivery, overnight courier or by mailing the same to Baylor by registered or certified mail, postage prepaid, return receipt, addressed to

Baylor, 248 W. Bute Street, Suite 200, Norfolk, Virginia 23510, or at such other address as Baylor may from time to time designate by notice given to City in the manner herein provided.

35.2. Every notice, demand, request, or other communication hereunder shall be deemed to have been given or served at the time the same shall be hand delivered, delivered to an overnight courier, or deposited in the United States mail, return receipt requested.

36. **SHORT FORM LEASE.** The parties hereto agree that at the request of either party, a short form Lease of even date herewith, describing the Premises, setting forth the Term and referring to this Lease, shall be promptly executed and recorded at the cost of the requesting party.

37. **HEIRS AND EXECUTORS BOUND.** All the provisions, conditions and agreements of this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Baylor and the City.

38. **MARGINAL HEADINGS.** The headings appearing in each paragraph of this Lease are intended only for convenience of reference, and are not to be considered in construing this instrument or any paragraph hereof.

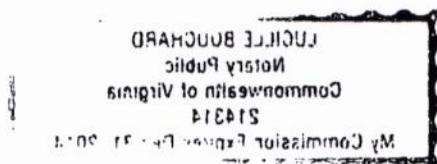
39. **COMPLETE AGREEMENT.** This Lease constitutes the entire contract and understanding of the parties, all prior negotiations of the parties have been merged with this Lease and there are no understandings, representations, warranties or agreements, either oral or written, other than those set forth herein; and this lease shall not be amended or altered in any manner unless such amendment or alteration shall be in writing and signed by all parties hereto.

40. **NON-APPROPRIATION OF FUNDS.** In the event that the City Council of the City of Norfolk, Virginia or the General Assembly of the Commonwealth of Virginia fail to appropriate sufficient funds to make the necessary rental payments in any fiscal year subsequent

to the initial fiscal year hereunder, the City shall not be in default of this Lease but the Lease shall terminate at the end of the last fiscal year for which said rental funds have been appropriated. The City shall endeavor to give Baylor (30) days written notice of Council and Assembly failure to appropriate rental funds for any subsequent fiscal year.

IN WITNESSS WHEREOF, the parties hereto have executed or caused this Lease to be executed by their duty authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

(SIGNATURE PAGES TO FOLLOW)



JAMES E. BAYLOR HOLDING
CORPORATION

By: _____

Title: _____

State of Virginia
City of Norfolk, to-wit:

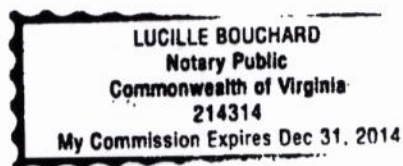
Lucille Bouchard a Notary Public in and for the City of Norfolk, in the State
of Virginia, whose term of office expires on the 31st day of December, 2014, do
hereby certify James E. Baylor, Jr., Managing Partner (Title), on behalf of James
E. Baylor Holding Corporation, whose name is signed to the foregoing Lease Agreement, has
acknowledged the same before me in my City and State aforesaid.

Given under my hand this 20th day of November, 2014.

Lucille Bouchard
Notary Public

SEAL

Registration No. 214314



CITY OF NORFOLK

By: 
City Manager

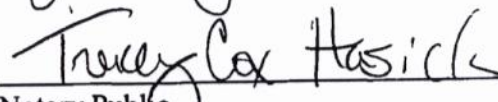
Attest:


City Clerk

STATE OF VIRGINIA
CITY OF NORFOLK, to-wit:

I, Tracey Cox Hasick, a Notary Public in and for the City of Norfolk, in the
State of Virginia, whose term of office expires on the 30 day of April,
2018, do hereby certify that Marcus D. Jones, City Manager and R. Breckenridge Daughtrey,
City Clerk, respectively, of the City of Norfolk, whose names as such are signed to the foregoing
Lease Agreement, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this 21 day of January, 2015

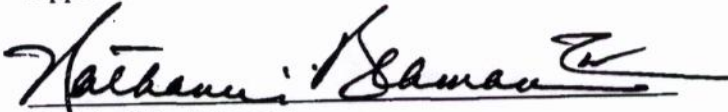

Notary Public

Registration No. 7056195

Contents Approved:


Director, Community Services Board

Approved as to Form and Correctness:


Deputy City Attorney



CERTIFICATION OF FUNDING

I hereby certify that the money required for this Addendum to Lease is in the City Treasury

to the credit of the fund from which it is to be drawn and not appropriated for any other purpose.

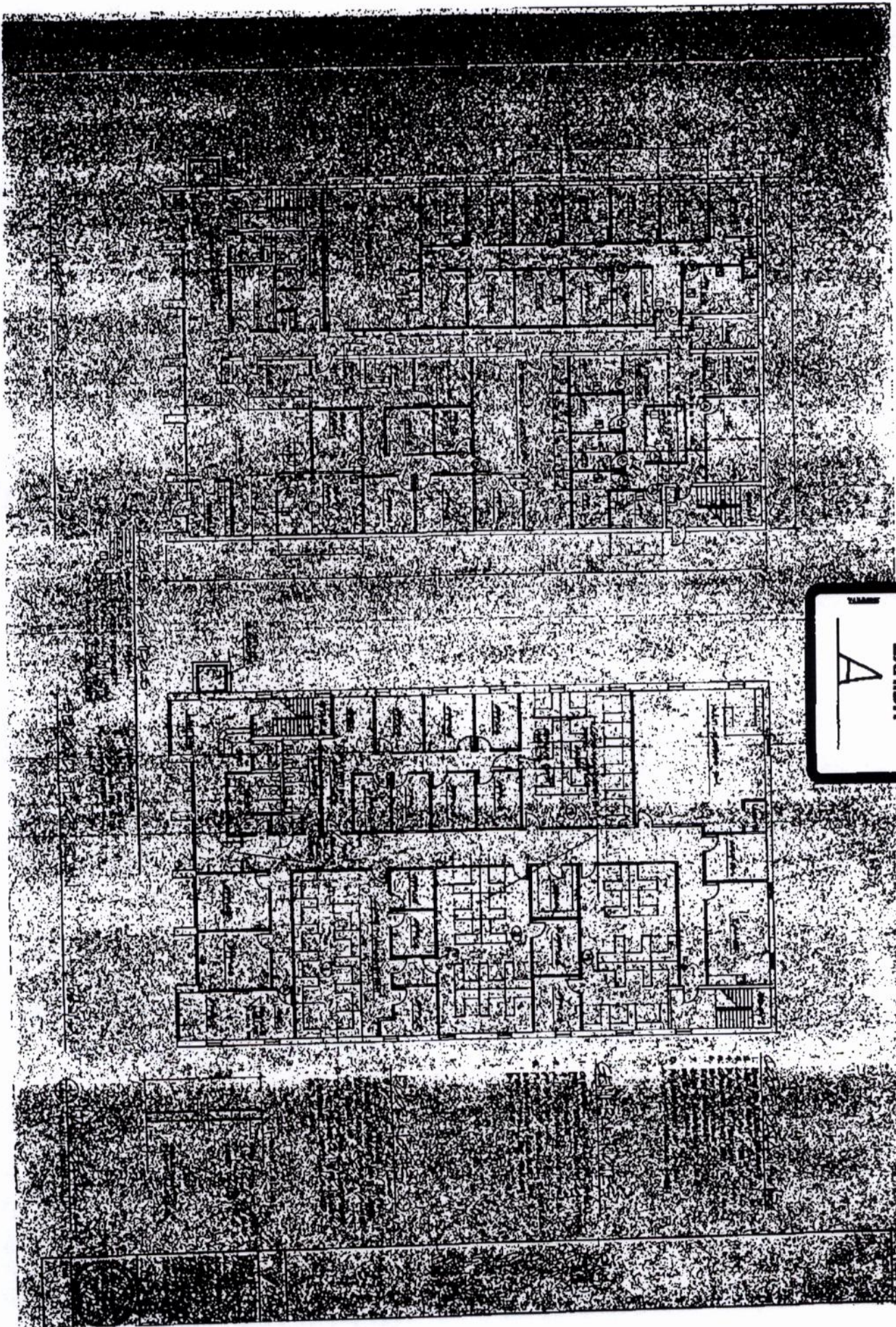
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2075-31-101-5307-502 A 8,158.75
2075-31-180-5350-502 A 40,000.00 \$ 158,000.00
Amount: 2075-31-101-5380-502 A 48,720.95
2075-31-113-5380-502 A 21,998.23
Contract No.: 135258

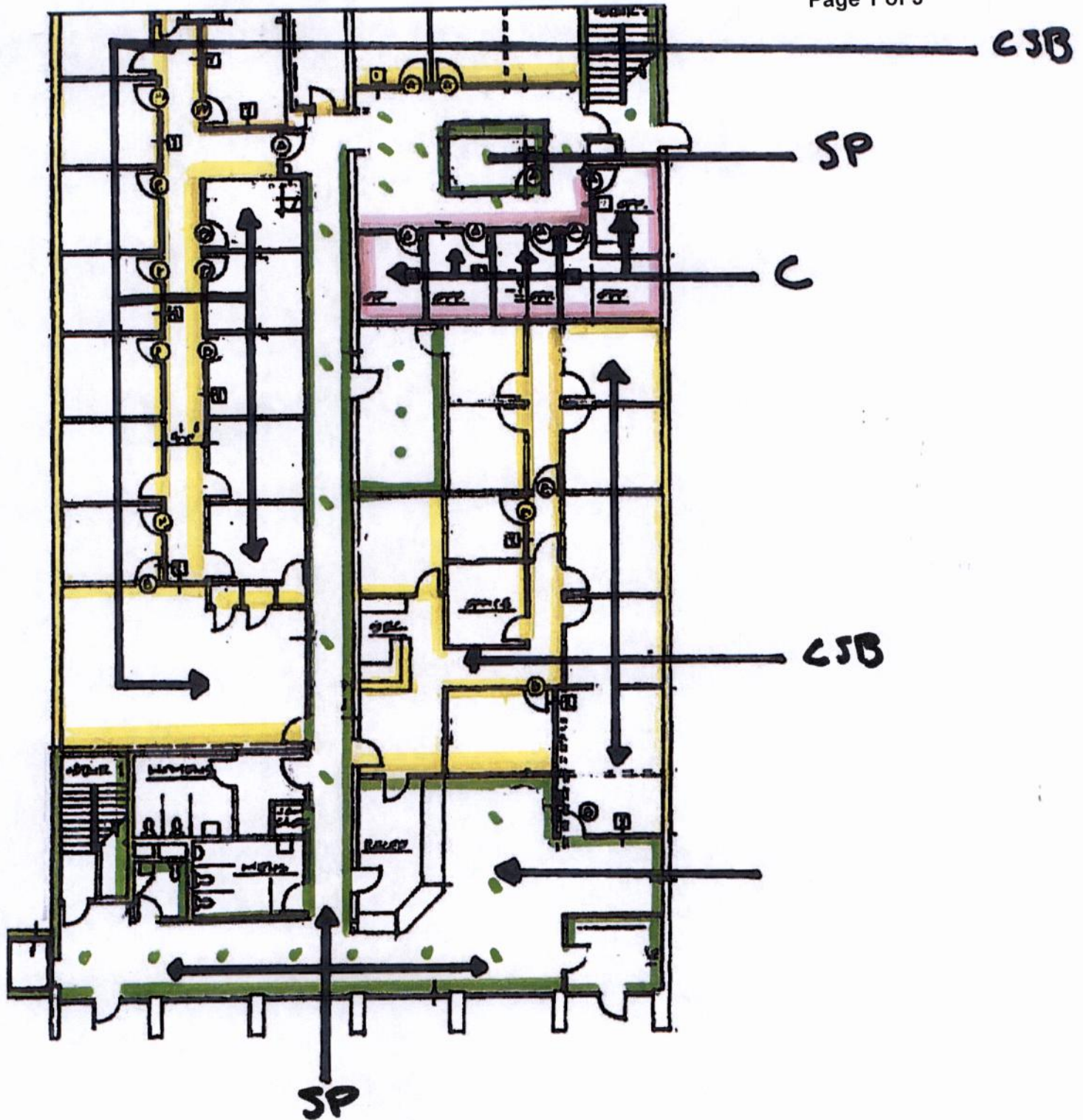
Vendor Code: JAMES E 0200

Business License No.: _____

Alvin M. Kelly 1/14/15
Director of Finance Date

[Signature]





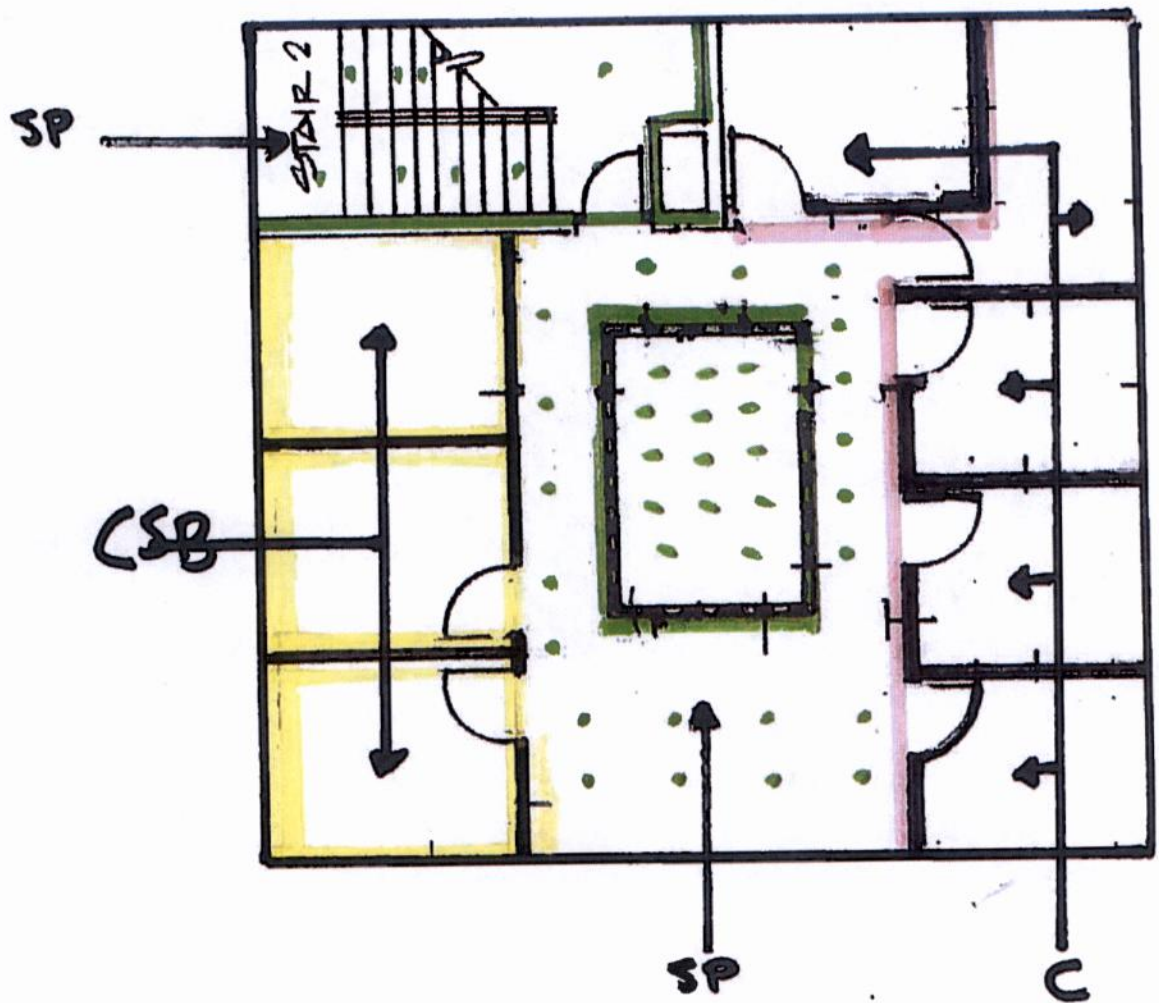
3755 East Virginia Beach Blvd

First Floor

Shared Space = SP

CSB Space = CSB

Hampton Roads Community = C
Health Center

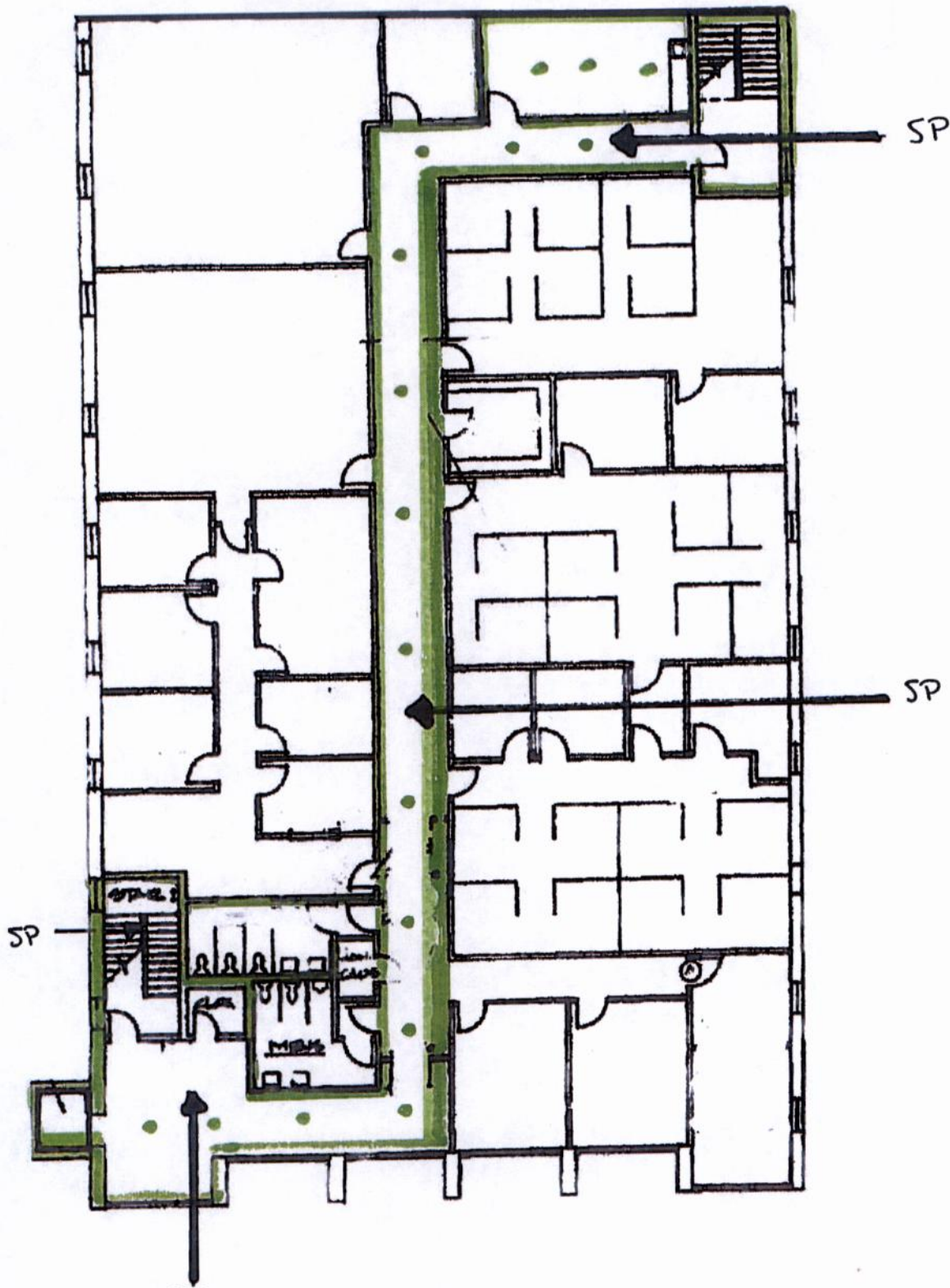


3755 East Virginia Beach Blvd
Primary Care Clinic Site/ First Floor

Shared Space = SP...

Hampton Roads Community
Health Center = C

CSB Space = CSB



3755 East Virginia Beach Blvd.

Second Floor

Shared Space = SP

CSB Space = CSB

Hampton Roads Community = C
Health Center

Hampton Roads Community Health Center's Primary Care Initiative

I. Renovations

- a. Add wall to split current Conference room

NOTE: See diagram labeled Proposed Conference Room Modifications

- i. Creates two new offices;
 - 1. Each office will have one electrical outlet added
 - a. Two total outlets
 - 2. One door "frame" jamb/door to be installed
- ii. No other additions or modifications required
- b. Add new counter top with shelf in current Psychiatric Clinic's Secondary Administrative Area;

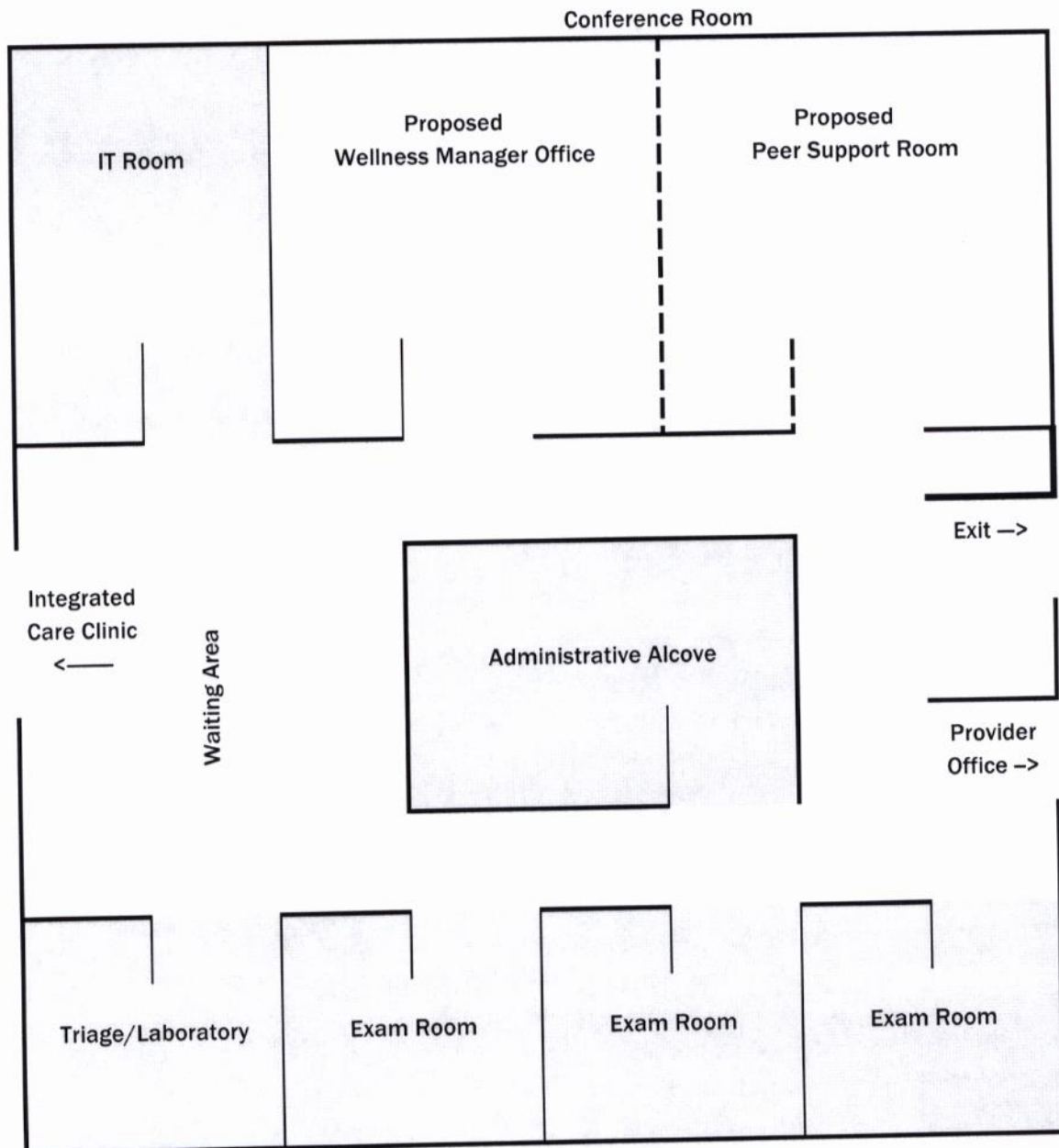
NOTE: See Diagram labeled Proposed Modifications to Administrative Area

- i. Create Nursing Station
 - 1. Three work areas
- ii. Addition of Dutch Door for privacy
- iii. No electrical or other additions required

II. HRCHC's Purchases

- a. Desks for Integrated Care Clinic Rooms
 - i. Total of Three Desk;
 - 1. One for Triage Room;
 - 2. One for Treatment Room I;
 - 3. One for Treatment Room II.
- b. No additional purchases

Proposed Modifications to Conference Room.



Additions & Modifications to Conference Room

Wellness Manager Office

Addition of one electrical outlet

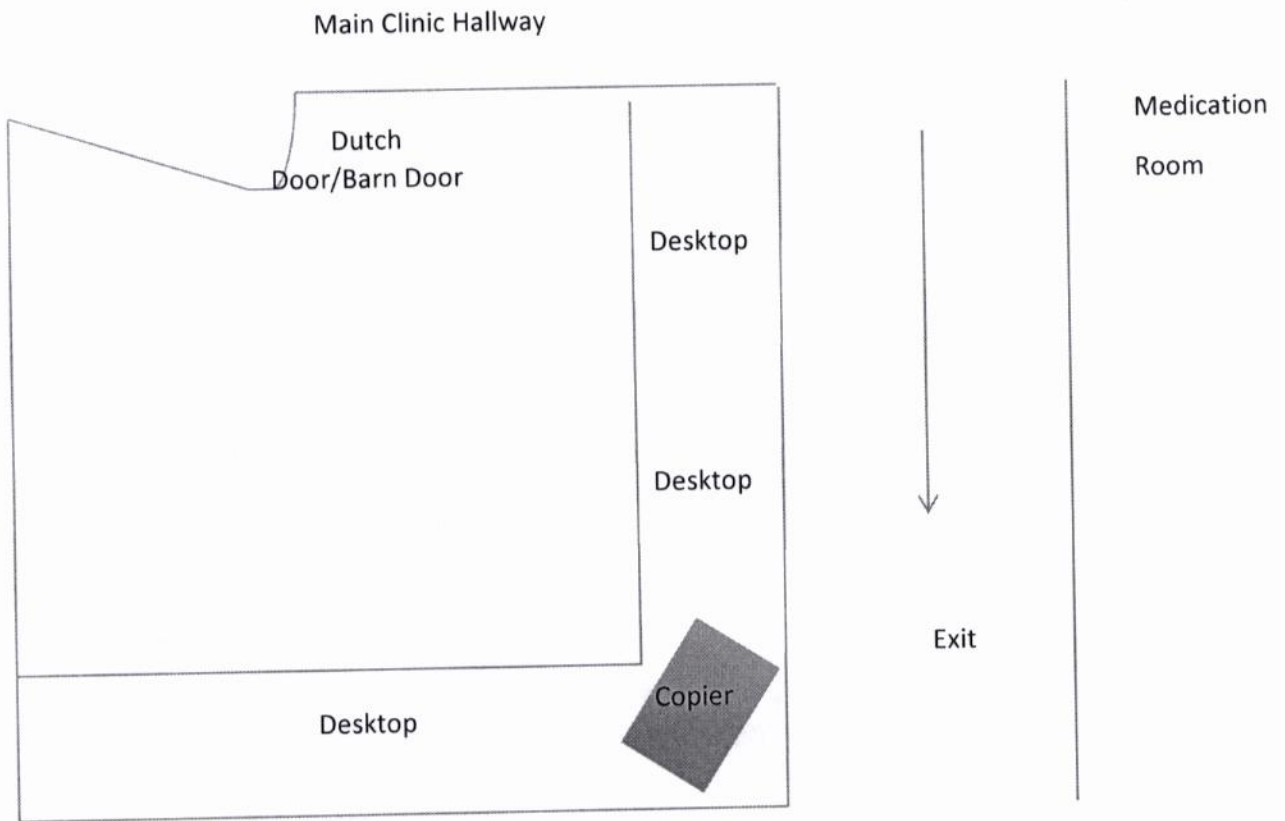
Peer Support Room

Wall

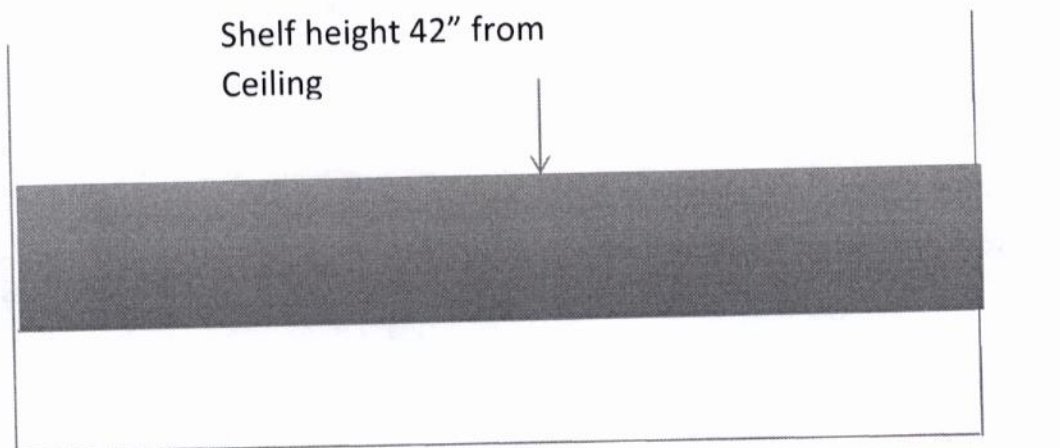
One door jamb/door

Addition of one electrical outlet

Proposed Modification to Administrative Area



Overhead View



Side View